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## Agency News

### Retirement system update

There was continued discussion regarding unfunded liabilities and their potential impact on the state pension funds during the May 20 meeting of the Employees Retirement System (ERS) Board of Trustees. TDCJ Executive Director Brad Livingston, who was one of several state agency heads asked to participate in panel discussions regarding the pension system, said the ERS is looking ahead to when the 84th Texas Legislature will convene in January 2015 and trying to build support for action that will further strengthen the long-term fiscal health of the pension funds.

“The bottom line,” said Livingston, “is that while ERS believes the measures taken last legislative session were helpful and the short-term outlook is good, they strongly feel that more needs to be done from the long-term perspective.”

The ERS invited legislators, staff representing the governor and legislative leader-

ship, agency officials and representatives of various employee associations to attend the meeting and join the discussions. While no specific plan was presented during the meeting, the ERS intends to present the 84th Tex-



as Legislature with recommendations for enhancing the financial standing of the pension funds. Based on the discussions which took place during the May 20 meeting and a prior meeting of the board of trustees, it appears likely the ERS will recommend a combination of measures. During the last legislative session lawmakers approved an increase in employee contributions phased-in over time,

additional state agency contributions and changes in retirement benefits for employees hired on or after September 1, 2013.

Livingston said that without a specific proposal to consider, agency officials continued to emphasize how critical the pension plans are, in combination with wages and health insurance, to employee morale, recruitment and retention. No one disputed the importance of an adequate benefit package for state employees, said Livingston, and he added that he looks forward to working with the Legislature, the ERS, other state agencies and employee advocacy groups during the next legislative session to ensure a sound pension system for years to come.

The *Connections* newsletter will provide additional updates from any future meeting of the ERS Board of Trustees. ●